

XI. Community Reinvestment Act – Community Contacts

Review of Information on Assessment Area(s)

A review of all available background materials prior to the community contact process is vital in developing a working understanding of the community you are about to enter. The nature, extent and age of the information available prior to conducting community contacts influences your objectives for the community contact process. A well developed context also allows for more detailed and in-depth community contact interviews.

Review Process

The examiner should do the following:

1. Assess prevailing economic conditions and demographic characteristics within and near the assessment area(s).

This includes a review of available data on:

- Various population segments within the community;
- Trends in migration;
- Labor and employment characteristics;
- Comparisons to state and county/MSA data; and
- Housing and real estate market statistics.

2. Assess infrastructural and geographic characteristics within the assessment area(s).

This includes a review of:

- Maps;
- Natural areas;
- Major thoroughfares;
- Access to public transportation;
- Locations of low- and moderate-income census tracts;
- Names of specific low- and moderate-income neighborhoods; and
- Proximity of the assessment area(s) to military bases, airport facilities, and metropolitan centers.

TIP: Internal mapping software, information from the financial institution, and information from local planning, transportation, economic development or real estate boards are good sources for possible information.

3. Assess distribution and availability of branch and ATM services especially with regard to low-income areas within the community. Include a review of check cashing facilities, if possible.

TIP: Internal mapping software, if available, can allow the examiner to map these locations.

4. Assess, to the extent information is available, local development issues and priorities in the areas of:

- Affordable housing;

- Commercial activity; and
- Economic and community development.

A summary of such information may be available from the Community Affairs staff.

5. In addition, the examiner may wish to review previous community contacts for the locality including those from other regulatory agencies.
6. If the examiner is reviewing an MSA, he or she should contact the city's municipality and obtain a copy of its Consolidated Plan ("Conplans"). Conplans list the needs of an MSA as identified and prioritized by its officials.

7. The examiner may also consider obtaining public reports from Multiple Listings Services (MLS) and news articles on local development projects.

Quantitative sources may include:

- Feasibility studies;
- Market analysis; and
- Commercial appraisal reports for local development projects.

TIP: State or local economic development agencies, utility companies, real estate organizations, and universities present in the immediate or surrounding area are often good sources for such material. Refer to the topic "Identify Potential Community Contacts" for additional potential sources for these types of material.

8. Determine the priorities of the community and the opportunities for financial institutions to participate with local governmental and non-profit organizations in the areas of:
 - Affordable housing;
 - Small business/farm development; and
 - Economic and community development.

9. Review the number and nature of government agencies, non-profit and neighborhood organizations that provide programs and resources to the assessment area(s) for these purposes.

TIP: Sources of information for this step include prior community contacts in the area, information on local programs from the institution, and discussions with appropriate agency staff.

10. Based upon information reviewed above, identify areas that require further inquiry through the community contacts process.

For example:

- Are there any significant conflicting pieces of information that may require further investigation in the contact interviews?
- Are there any pieces of quantitative information, such as housing and rental values, that are considerably outdated and need to be verified in the contact interviews?
- Does the data suggest particular areas of “need” in affordable housing, such as housing rehabilitation, multifamily development or single family home purchase that you can investigate further and verify through the contact interviews? Or alternatively, are needs for specific areas of the population, such as housing for the elderly, still unclear and therefore require further study through the contact interviews?
- Does the data suggest particular areas of need in services such as ATMs, branches, bilingual services that can be investigated further and verified through the contact interviews?
- Does the review identify organizations or projects requiring additional information?

Identify Potential Community Contacts

This section discusses the number and types of community contacts that should be made during an examination. It also identifies potential community contacts and provides guidance on the sources of information that are available from them.

Number and Type of Contacts

Identification Process

1. Select contacts that can best provide information on the assessment area(s).
2. Consider the nature of the information you are seeking to complete your analysis of the assessment area(s) and the purpose of the organizations in the assessment area(s).

TIP: Examiners may wish to initially consult or select organizations on the telephone to determine which can best comment on particular issues

3. Consider the following factors when determining the appropriate number of contacts to make:
 - The nature of any information provided by the institution including information that specifies credit, service or community development needs in the institution’s assessment area(s);
 - The nature of public comments including information that specifies credit, service or community development needs in the institution’s assessment area(s);
 - The amount of community contact information available from other examinations conducted for this

area, both in number and substance, and the date the information was gathered;

- The complexity of the community including the size of its population, its geographic breadth, and the diversity of its population; and
- The characteristics of the institution examined.

NOTE: Time constraints can limit the number of contacts that the examiner is able to conduct.

Organization Types

Grassroots Community Groups

Grassroots groups are formed when concerned individuals come together to solve common problems. Groups whose primary aim is to further the objectives of low-income residents are of particular interest. These groups can be difficult to identify because they tend to be smaller neighborhood groups and may not have readily recognizable names.

However, they will often share the following characteristics:

- Low-income representation is evident in policy and implementation aspects of the organization. This may be evident at the board level, in the committee structure, or the day-to-day management;
- Input from low-income residents is clearly sought in functional/program aspects and, information distribution to low-income individuals is a priority. Examples of this include door-to-door surveys and frequent neighborhood meetings; and
- Low-income individuals are encouraged or empowered to solve problems collectively.

Grassroots community groups include the following types of organizations:

- Churches;
- Block clubs;
- Tenants association;
- Low-income advocacy groups;
- Housing or credit counseling programs;
- Senior citizen groups;
- Shelter providers;
- Health clinics; and
- Community network/collaborative groups.

The following types of information are available from these sources:

- Development priorities and concerns of the local low-income populations;